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SOUTH WESBOM MATTHEWS/DKS DISTRICT NO. 1

FINANCIAL STATEMENTS

December 31, 2000

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Release Date 2-25-01

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ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

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Luzerne, Louisiana 71496-1287

2025 259-1410

2025 259-1410

Iss. 259-1410

W. Michael Elbert, CPA

**SINGULARIFIED OPINION ON GENERAL-PURPOSE
FINANCIAL STATEMENTS-GOVERNMENTAL ENTITY**

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
South Vernon Waterworks District No. 1
Monroe, Louisiana

I have audited the accompanying general-purpose financial statements of the South Vernon Waterworks District No. 1, a component unit of the Vernon Parish Police Jury, as of and for the year ended December 31, 2080, as listed in the table of contents. These general-purpose financial statements are the responsibility of the South Vernon Waterworks District No. 1's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the South Vernon Waterworks District No. 1 as of and for the year ended December 31, 2080, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated June 24, 2081, on my consideration of the South Vernon Waterworks District No. 1's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated. In all material respects, in relation to the basic financial statements taken as a whole.

Elliott & Assoc. "APAC"

Louisville, Louisiana

June 24, 2003

ELLIOTT & ASSOCIATES, INC.

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W. Michael Elliott, CPA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
South Vernon Waterworks District No. 1
Nosepipe, Louisiana

I have audited the financial statements of the South Vernon Waterworks District No. 1 as of and for the year ended December 31, 2000, and have issued my report thereon dated June 24, 2003. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the South Vernon Waterworks District No. 1's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, the noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of a noncompliance that is required to be reported under Government Auditing Standards, which is described as follows:

2000.1 Finding: Due to decreased cash flow in certain months in the year 2000, the District did not fund all of its required deposits into its three sinking fund accounts by a total of \$18,991. Furthermore, \$54,837 had to be utilized out of the depreciation and contingency sinking fund to help pay debt service on the 200A note obligation.

Management Response: The District is seeking to increase its cash flow by the utilization of a new grant and other solicitation means, and will attempt to fund all of its sinking fund requirements for the year ending December 31, 2001.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the South Vernon Waterworks District No. 1's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components do not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors and management of the South Vernon Waterworks District and the Legislative Auditor's office of the State of Louisiana. This report is not intended to be, and should not be, used by anyone other than those specified parties.

Elliot & Assoc. P.C.
Baton Rouge, Louisiana
June 24, 2001

South Vernon Waterworks District No. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 2000

I have audited the financial statements of South Vernon Waterworks District No. 1 as of and for the year ended December 31, 2000, and have issued my report thereon dated June 30, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2000 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

**a. Report on Internal Control and Compliance
Material to the Financial Statements**

Internal Control

Material Weaknesses ☐ Yes ☒ No
Reportable Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial
Statements ☒ Yes ☐ No

b. Federal Awards

Internal Control

Material Weaknesses ☐ Yes ☐ No ☒ N/A
Reportable Conditions ☐ Yes ☐ No ☒ N/A

Type of Opinion On Compliance For Major Programs

Unqualified ☐ Qualified ☐
Disclaimer ☐ Adverse ☐
N/A ☒

Are their findings required to be reported in accordance with Circular
A-133, Section .514(a)?

☐ Yes ☐ No ☒ N/A

c. Identification of Major Programs

CRFB Number(s) Name of Federal Program

Name

Name

Debar threshold used to distinguish between Type A and Type B Programs: 2 R/A

Is the auditor a "low-risk" auditor, as defined by OMB Circular A-122?
() Yes () No (X) R/A

Section II Financial Statement Findings

2020.1 Findings: Due to decreased cash flow in certain months in the year 2020, the District did not fund all of its required deposits into its three sinking fund accounts by a total of \$15,000. Furthermore, \$54,837 had to be utilized out of the depreciation and contingency sinking fund to help pay debt service on the USDA note obligation.

Section III Federal Award Findings and Questioned Costs

R/A

See independent auditor's report.

South Vernon Waterworks District No. 1

Balance Sheet

December 31, 2020

ASSETS

Current assets:

Cash (Note 2)	\$ 21,216
Accounts receivable - water sales	15,263
State revenue sharing receivable	6,719
Ad valorem taxes receivable (Note 3)	<u>28,245</u>

Total current assets	<u>71,443</u>
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Restricted:

Cash (Note 2)	77,848
Ad valorem taxes receivable (Note 3)	<u>28,269</u>

Total restricted assets	<u>106,117</u>
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Organization costs (Note 4)	58,722
Less: accumulated amortization	<u>(44,828)</u>

Organization costs (net of accumulated amortization)	<u>13,894</u>
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Fixed assets (Notes 5 and 6)	3,328,800
Less: accumulated depreciation	<u>(1,328,321)</u>

Fixed assets (net of accumulated depreciation)	<u>2,000,479</u>
--	------------------

Total assets	<u>\$2,211,211</u>
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The accompanying notes are an integral part of this statement.

LIABILITIES AND EQUITY

Current liabilities:	
accounts payable	\$ 2,716
Pension deduction payable-unrestricted	824
Payroll taxes payable	260
Total current liabilities	3,800
Current liabilities payable from restricted assets:	
Pension deduction payable restricted	1,860
Current maturities - general obligation bonds (Note 4)	12,000
Current maturities - USDA Rural Development revenue bonds (Note 5)	28,387
Accrued interest payable (Note 4)	25,771
Motor deposits	5,175
Total current liabilities payable from restricted assets	49,823
Long-term liabilities payable from restricted assets:	
USDA Rural Development revenue bonds (Note 4)	2,712,502
General obligation bonds (Note 4)	258,800
Total long-term liabilities payable from restricted assets	2,971,302
Total liabilities	3,000,323
Equity:	
Contributed capital - (Note 8)	888,313
Retained earnings:	
reserved for general obligation bond indentures	44,701
Unreserved-undesignated (Note 9)	1301,516
Total retained earnings (deficit)	1301,516
Total equity	172,869
Total liabilities and equity	22,212,331

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South Vernon Waterworks Division No. 1
Statement of Revenues, Expenses, and Changes in Retained Earnings
For the year ended December 31, 2000

Operating revenues:

Charges for sales and services:	
Water sales	2,118,258
Total operating revenues	<u>2,118,258</u>

Operating expenses:

Current:

Salaries and related costs	50,056
Rent expense	3,388
Insurance expense	2,488
Professional fees	6,844
Board per diem	3,288
Legal advertising	362
Phone & utilities	11,483
Materials and supplies	11,788
Depreciation and amortization (Notes 4 and 5)	185,082
State sales tax	8,237
Repairs and maintenance	3,794
Fuel costs and other travel expense	4,854
Miscellaneous expenses	3,067
Office expense	2,337
Total operating expenses	<u>298,069</u>

Operating income (loss) 120,189

Nonoperating revenues (expenses):

Interest income	3,411
Interest expense (Note 6)	(159,349)
Pension fees	(1,817)
State revenue sharing	10,188
Ad valorem taxes-restricted (Note 3)	25,319
Ad valorem taxes-unrestricted (Note 3)	26,551
Miscellaneous grant revenue	9,266
Total nonoperating revenues (expenses)	<u>(67,845)</u>

Net loss (46,655)

Add back amortization of contributed capital 23,238

Increase in retained earnings (23,417)

Retained earnings (deficit), beg. balance (Note 9) (221,918)

Retained earnings (deficit), ending (Note 9) (245,335)

The accompanying notes are an integral part of this statement.

South Western Portland Networks District No. 1
 Statement of Revenues, Expenses, and Changes in Retained Earnings
 Budget and Actual (GAAP Basis)
 For the year ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Charges for sales and services:			
Water sales	\$178,800	\$ 178,250	\$ 550
Total operating revenues	178,800	178,250	550
Operating expenses:			
Current:			
Salaries and related benefits	50,256	50,896	640
Rent expense	3,250	3,300	50
Insurance expense	3,850	3,449	1,402
Professional fees	5,250	6,844	(1,594)
Board per diem	3,450	3,340	110
Legal advertising	850	362	488
Phone and utilities	10,540	11,649	(1,109)
Materials and supplies	11,998	11,746	252
Depreciation and amortization	160,088	160,982	(894)
State sales tax	5,775	6,237	(462)
Repairs and maintenance	7,138	3,784	3,354
Fuel costs and other travel			
expense	1,505	4,854	(3,349)
Miscellaneous expenses	3,584	3,080	504
Office expense	3,400	2,332	1,068
Total operating expenses	218,443	225,090	6,647
Operating income (loss)	(39,643)	(46,840)	7,197
Nonoperating revenues (expenses):			
Interest income	3,800	3,411	389
Interest expense (Note 6)	(150,800)	(150,342)	458
Pension fees	(1,360)	(1,937)	577
State revenue sharing	10,880	10,188	692
Ad valorem taxes - restricted	31,350	33,379	2,029
Ad valorem taxes - unrestricted	23,650	26,561	2,911
Miscellaneous grant revenue	2,500	2,865	365
Total nonoperating revenues	(86,880)	(86,845)	35
Net loss	(126,523)	(133,685)	7,162

The accompanying notes are an integral part of this statement.

South Vernon Parish Waterworks District No. 3
Statement of Revenues, Expenses, and Changes in Retained Earnings
Budget and Actual (GAAP Basis)
For the year ended December 31, 2009

	Budget	Actual	Variance Favorable (Unfavorable)
Net loss	\$ (188,683)	\$ (196,455)	\$ 7,772
Add back amortization of contributed capital	13,250	13,250	—
Decrease in retained earnings	(196,593)	(185,495)	10,198
Retained earnings (deficit), beginning balance	(221,919)	(221,919)	—
Retained earnings (deficit), ending balance	\$ (221,503)	\$ (207,313)	\$ 14,190

The accompanying notes are an integral part of this statement.

South Vernon Waterworks District No. 1
Statement of Cash Flows
For the year ended December 31, 2000

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ (30,818)
Adjustments to reconcile operating income to net cash provided by operating activities:	
depreciation	88,128
Amortization	11,954
Changes in assets and liabilities:	
Accounts receivable	6,540
Accounts payable	(1,334)
Customer deposits	725
Retirement deductions payable	(1,288)
Net cash (used) by operating activities	<u>67,982</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Ref valorem taxes	<u>34,321</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Ref valorem taxes	31,936
Acquisition of property, plant and equipment	(6,913)
Repayment of indebtedness	(37,798)
Grant revenue	8,045
Interest paid	(184,823)
Net cash (used) by capital financing activities	<u>(168,543)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>3,411</u>
Decrease in cash	(97,150)
CASH, beginning of year	<u>139,600</u>
CASH, END OF YEAR	<u>\$ 45,861</u>
CLASSIFIED AS	
Current Assets	\$ 21,706
Restricted Assets	<u>24,155</u>
Totals	<u>\$ 45,861</u>

The accompanying notes are an integral part of this statement.

South Vernon Waterworks District No. 1

Notes to the Financial Statements

December 31, 2000

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Vernon Parish Police Jury is a political subdivision of the State of Louisiana. The Vernon Parish Police Jury is the reporting entity for Vernon Parish as defined by NCH Statement 3, "Defining the Governmental Reporting Entity."

In April of 1990, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governments. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

South Vernon Waterworks District No. 1, "District," is a component unit of the Vernon Parish Police Jury as defined by GASB codification Section 2000. The District was created by the Vernon Parish Police Jury as authorized by Louisiana Revised Statutes 33:3803-21. The District is governed by a board of five commissioners appointed by the Vernon Parish Police Jury, who are responsible for providing water service within the boundaries of the district.

A. FUND ACCOUNTING

South Vernon Waterworks District No. 1 is organized and operated on a fund basis as a Proprietary Fund Type-Enterprise Fund. As an enterprise fund the accrual basis of accounting is utilized and revenues are recognized when earned and expenses are recognized when incurred. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

South Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Proprietary funds follow GAAP prescribed by the Governmental Accounting Standards Board and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets associated with the operation of these funds are included on the balance sheet. Fund equity, (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

C. BAD DEBTS

Uncollectible amounts due for ad valorem taxes and water sales are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

D. CASH AND CASH EQUIVALENTS

Cash includes amounts in petty cash, demand deposits, interest earning demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, with maturities of three months or less.

E. FIXED ASSETS

The fixed assets of the waterworks district are accounted for on the balance sheet of the Enterprise Fund. The fixed assets of the district as shown on the balance sheet are recorded at historical cost. Depreciation is computed by the straight line method based on the estimated useful life of the individual assets.

F. INTEREST EXPENSE

The District expenses interest as it is incurred for accounting purposes and has not capitalized any previous interest expense.

South Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 2--CASH AND INVESTMENT COLLATERAL

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in United States bonds, treasury notes, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment.

At December 31, 2008, the District had cash and investments as follows:

	UNENCUMBERED	ENCUMBERED	TOTAL
Cash (demand deposits)	<u>\$ 21,225</u>	<u>\$ 77,865</u>	<u>\$ 99,090</u>

At year end, the carrying amount of the District's deposits (demand deposits and certificates of deposit) were \$ 99,090, and the bank balances were \$108,369. A summary of collateralization of bank balances is presented below.

Insured (Federal deposit insurance)	\$100,000
Unencumbered (in accordance with GAP - See below)	<u>18,369</u>
	<u>\$108,369</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent.

The uncollateralized amount shown above is secured by pledged securities with a market value of \$100,769 held in the name of the pledging fiscal agent banks in holding or custodial banks. Even though the pledged securities are considered uncollateralized under GSW, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 15 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

South Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 3--RECEIVABLES

The District utilized the Vernon Parish Sheriff's Office to collect its property taxes using the assessed values determined by the tax assessor of Vernon Parish.

For the year ended December 31, 2000, taxes of 10 mills and 15.25 mills were levied on property with assessed valuations totaling \$7,405,295 and was dedicated toward operations and maintenance and the sinking fund, respectively.

For the year ended December 31, 2000 total taxes levied were \$60,583. The receivable at December 31, 2000 constituted entirety of the current year assessment. A reserve for bad debts for ad valorem taxes is not deemed necessary at this time by management.

Receivables at December 31, 2000 consist of the following:

Ad valorem taxes--unrestricted	\$18,345
Ad valorem taxes--restricted	19,358
Water sales	15,243
State revenue sharing	5,738
Total	<u>\$58,703</u>

NOTE 4--DEPRECIATION COSTS

Amortization of organization costs is computed on the straight-line method over five years. The breakdown of organization costs and accumulated amortization is as follows:

Balance, November 30, 1999	\$18,702
Less: Accumulated amortization	<u>148,829</u>
Balance, December 31, 2000	<u>\$118,343</u>

Amortization expense for the year ended December 31, 2001, was \$11,854.

South Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 3--FIXED ASSETS

The following represents changes in fixed assets for the year ended December 31, 2000:

	Balance, 12/31/99	Additions	Deletions	Balance, 12/31/00
Land	\$ 15,000	\$ ---	\$ ---	\$ 15,000
Autom and Trucks	16,729	---	---	16,729
Office equipment and fixtures	13,973	2,758	---	16,731
Water system	<u>3,298,821</u>	<u>2,159</u>	<u>---</u>	<u>3,298,980</u>
Total	<u>\$3,333,523</u>	<u>\$ 2,159</u>	<u>\$ ---</u>	<u>\$3,335,682</u>

Depreciation expense for the year ended December 31, 2000, was \$88,128.

NOTE 4--GENERAL LONG-TERM DEBT

Bonds payable activity for the year ended December 31, 2000 was as follows:

Bonds payable, December 31, 1999	\$218,000
Bonds issued	---
Bonds retired	<u>(22,000)</u>
Bonds payable, December 31, 2000	<u>\$200,000</u>

The above represents \$200,000 in general obligation bonds dated May 1, 1994; due in annual installments of \$1,000-\$26,000 through 2024; interest at 5.888-9.888.

South Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 6--GENERAL LONG-TERM DEBT (Continued)

USDA Rural Development Revenue Bonds payable activity for the year ended December 31, 2000 was compiled as follows:

	PRR, Rural Bonds	New Bonds Series A	Totals
Balance at 12/31/99	\$2,473,468	\$ 88,321	\$2,561,789
Additions	---	---	---
Payments	<u>(12,644)</u>	<u>(4681)</u>	<u>(13,112)</u>
Balance at 12/31/00	<u>\$2,460,824</u>	<u>\$ 83,640</u>	<u>\$2,544,464</u>

The USDA Rural Development Revenue Bonds are being paid in a monthly payment of \$13,098 including principal and interest at 4.875%. The USDA Rural Development Revenue Bonds Series A are being paid in a monthly payment of \$435 including principal and interest at 4.875%.

During the year ended December 31, 2000, the District did not make all of its required debt service payments. The scheduled principal payments were not paid accordingly to the amortization schedule and it was agreed upon with the USDA Rural Development in January 2001 that the \$25,872 in delinquent principal be paid monthly at \$1,093 per month for the next 24 months, in addition to the normal monthly debt service.

The annual requirements to amortize all revenue and general obligation bonds outstanding as of December 31, 2000, including interest payments of \$9,310,043, are as follows:

2001	\$ 190,000
2002	189,010
2003	190,138
2004	190,000
2005	190,560
2006-2010	949,801
2011-2015	940,500
2016-2020	879,382
2021-2025	817,288
2026-2030	837,038
2031-2035	812,018
2036	<u>100,822</u>
Total	<u>\$6,217,327</u>

South Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 7--RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	12/31/15
	OR
	COVERAGE:
Workmen's compensation	\$ statutory
Auto liability	100,000
Commercial general liability	1,000,000
District-owned buildings and equipment	600,000

The District covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The District was not involved in any litigation nor did it have asserted claims lodged against it.

NOTE 8--Contributed Capital --

Changes in contributed capital for the year ended December 31, 2000 were as follows:

Balance at December 31, 1999	6493,563
Additions	---
Amortization	<u>(113,223)</u>
Balance at December 31, 2000	<u>6380,340</u>

NOTE 9--RETAINED EARNINGS DEFICIT

The District has an unreserved - undesignated deficit of \$513,516 at December 31, 2000. The District has been awarded a \$507,719 CDBG grant to expand its system by increasing its existing customer base by approximately 300 customers. The District is also currently in the process of soliciting additional customers, in the district, on a door to door basis to increase its customer base and fund the grant it has received.

The District feels that with the increase of these additional potential customers, the District can improve its financial condition over future periods.

SECTOR-SPECIFIC INFORMATION

South Vernon Waterworks District No. 1

Supplementary Information

For the year ended December 31, 2000

Schedule 1

COMPENSATION OF BOARD MEMBERS

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Legislature.

As provided by Louisiana Revised Statute 33:1164, District board members received \$60 per diem for attendance at meetings of the board in 2000.

	Number Attended	Amount
Barbara Bartlett	5	\$ 300
Bill Churchman	10	600
Mark Davis	3	180
Norbert Olson	11	660
Teddy Kress	5	300
K. Brady Stephens	4	240
Marion Van Tass	1	60
Total	39	\$ 3,240

See independent auditor's report.

South Vernon Waterworks District No. 1
SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended December 31, 2000

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

There were no prior year findings relating to internal control and compliance material to the financial statements.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with prior year audit report.

See independent auditor's report.

South Vernon Waterworks District No. 3
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Fiscal Year Ended December 31, 2000

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENT**

2000.3 The District is seeking to increase its cash flow by the utilization of a new grant and other solicitation means and will attempt to fund all of its sinking fund requirements for the year ended December 31, 2001.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

N/A

SECTION III MANAGEMENT LETTER

N/A

See Independent auditor's report.